

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN JOHN WITT**, on January 17, 2001 at 8.30 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Ken Miller, Vice Chairman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Rep. Art Peterson (R)

Members Excused: None.

Members Absent: None.

Staff Present: Becky Beckert-Graham, OBPP
David Brown, Legislative Branch
Cayenna Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: Montana Historical Society
Executive Action: Montana State Library, Montana
State Historical Society

CONTINUED HEARING ON MONTANA HISTORICAL SOCIETY

{Tape : 1; Side : A; Approx. Time Counter : 1.1}

Mr. Chuck Swysgood, Budget Director, Office of Budget and Program Planning (OBPP), at the committee's request, spoke about using the Accommodations Tax to fund Montana Historical Society (MHS) funding increases. He stated the "Bed Tax" was expected to increase by a "couple million" and OBPP had decided to fund tourism-related decision packages within the MHS budget from the

"Bed Tax" which gives a \$58,000 reduction to the General Fund. He stated the MHS has a great deal of increases due to the addition of Program 08-Lewis & Clark Bicentennial and the acquisition of the Scriver Collection. These items need to be funded by bed tax or they will not get funded at all.

REP. BUZZAS asked what the exact estimate of increased revenue in the Accommodations Tax would be. He answered \$2,793,000 was the increased revenue in the MHS budget with the anticipated increase in Accommodations Tax. **SEN. JOHNSON** asked how the committee would appropriate using HB 3 and Accommodations Tax. **SEN. JERGESON** asked what would happen if the Accommodations Tax people decided not to fund MHS. **Mr. Swysgood** replied he hoped that would not happen as "what goes around comes around".

Dr. Arnie Olsen, Director, MHS, was asked to discuss the supplemental appropriations. He explained that HB 3 is a way to reimburse agencies for funds that are not in their budget. MHS is requesting supplemental funding for the acquisition of the Scriver collection and for the increased archives due to the change in state administration.

Dr. Olsen provided a copy of HB 3:

EXHIBIT(jeh13a01),

and a handout with explanations of each of the supplemental requests entitled, "Scriver Collection Supplemental Request," "Archives Supplemental Request" and "How do the Montana Historical Society Library/Archives and Montana State Library Relate":

EXHIBIT(jeh13a02), EXHIBIT(jeh13a03), and EXHIBIT(jeh13a04)

SEN. JOHNSON asked why MHS was duplicating tapes rather than using digital media. **Ms. Catherine Otto, State Archivist, MHS**, explained digital media is not considered 'permanent' media at this time. She added there are numerous hidden costs of digital media due to the fact that the information needs to be migrated to a new version of a CD every 7-10 years.

{Tape : 1; Side : A; Approx. Time Counter : 27.2}

Motion: **SEN. JOHNSON** moved that **ADOPT SUPPLEMENTAL APPROPRIATION FOR MHS BE ADOPTED. Motion withdrawn.**

SEN. JERGESON reminded the committee that every action the committee takes is only a recommendation to the full House Appropriations Committee.

EXECUTIVE ACTION ON MONTANA STATE LIBRARY

Motion/Vote: SEN. JOHNSON moved that BASE BUDGET, PRESENT LAW ADJUSTMENTS, RENT REDUCTIONS AND ADDITIONAL 1% VACANCY SAVINGS RECOMMENDED BY GOVERNOR MARTZ BE ADOPTED. Motion carried unanimously.

PROGRAM 01-STATE LIBRARY OPERATIONS

Motion/Vote: SEN. JOHNSON moved that DP 7-BASE ADJUSTMENT FOR GRANTS BE ADOPTED. Motion carried 5-1 with Miller voting no.

Motion/Vote: SEN. JOHNSON moved that DP 8-BASE ADJUSTMENT TO PROGRAM 01 BE ADOPTED. Motion carried 5-1 with Miller voting no.

{Tape : 1; Side : B; Approx. Time Counter : 9.8}

Motion: REP. PETERSON moved that DP 5-PERIODICAL DATABASE BE ADOPTED.

Substitute Motion: SEN. MILLER made a substitute motion that DP 5-PERIODICAL DATABASE WITH A REDUCTION OF \$20,000 PER YEAR GENERAL FUND IN THE BIENNIUM BE ADOPTED.

Discussion: SEN. JERGESON stated this was not a new proposal and explained that money was appropriated for DP 5 in the last session one-time-only (OTO). SEN. MILLER stated he felt this program was duplication since people can now use the internet. REP. PETERSON reminded the committee that Governor Martz recommended retaining the appropriation level of the last session and that databases are not easily accessible by non-professionals. REP. BUZZAS added the periodical database is important because it provides a new way to access materials. SEN. MILLER pointed out the information he has is that home schoolers are not utilizing the periodicals database.

{Tape : 1; Side : B; Approx. Time Counter : 17}

Substitute Motion/Vote: SEN. MILLER made a substitute motion that DP 5-PERIODICAL DATABASE WITH A REDUCTION OF \$20,000 PER YEAR IN THE BIENNIUM BE ADOPTED. Motion failed 4-2 with Miller and Johnson voting aye.

Substitute Motion: SEN. MILLER made a substitute motion that DP-5 PERIODICAL DATATBASE OTO BE ADOPTED. Motion withdrawn.

Discussion: There was a lengthy discussion on this issue. **REP. PETERSON** stated he would amend his motion to be one-time-only funding so that it could be looked at again during the next legislative session.

Motion: **REP. PETERSON** moved that **DP 5-PERIODICAL DATABASE BE FUNDED OTO BE ADOPTED AS AMENDED.**

Substitute Motion/Vote: **SEN. JERGESON** moved that **DP 5-PERIODICAL DATABASE AS PART OF THE BASE BE ADOPTED.** Motion failed 4-2 with Buzzas and Jergeson voting aye.

{Tape : 1; Side : B; Approx. Time Counter : 27.4}

Motion/Vote: **REP. PETERSON** moved that **DP 5-PERIODICAL DATABASE BE FUNDED OTO BE ADOPTED AS AMENDED.** Motion carried 5-1 with Miller voting no.

{Tape : 2; Side : A; Approx. Time Counter : 0.1}

Motion/Vote: **SEN. JERGESON** moved that **DP 6-NEW STATE AID PROGRAM BE ADOPTED.** Motion failed 4-2 with Buzzas and Jergeson voting aye.

Motion/Vote: **SEN. JERGESON** moved that **LANGUAGE RECOMMENDATION ON E-45 BE ADOPTED.** Motion carried unanimously.

PROGRAM 06-NATURAL RESOURCE INFORMATION SYSTEM

{Tape : 2; Side : A; Approx. Time Counter : 17.6}

Motion: **SEN. JOHNSON** moved **DP 1- STABLE FUNDING STRUCTURE FOR NRIS.**

Motion/Vote: **SEN. JOHNSON** moved that **DP 1-STABLE FUNDING STRUCTURE FOR NRIS OTO BE ADOPTED AS AMENDED.** Motion carried 5-1 with Miller voting no.

Motion: **SEN. JERGESON** moved **DP 4-PS ADJUSTMENT FOR VACANT NRIS POSITIONS.**

Discussion: **SEN. MILLER** stated that he was opposed to this motion. **REP. BUZZAS** stated that salary levels for these professionals needs to be at market rate to attract employees.

Motion/Vote: **SEN. JERGESON** moved **DP 4-PS ADJUSTMENT FOR VACANT NRIS POSITIONS BE ADOPTED.** Motion failed 4-2 with Buzzas and Jergeson voting aye.

{Tape : 2; Side : A; Approx. Time Counter : 26}

Motion/Vote: SEN. JERGESON moved that DP 2-STABLE FUNDING FOR NRIS CORE BE ADOPTED. Motion carried 4-2 with Miller and Witt voting no.

Motion/Vote: REP. BUZZAS moved that LANGUAGE RECOMMENDATIONS 1-4 ON PAGE E-49 OF THE LFD BUDGET ANALYSIS BE ADOPTED. Motion carried unanimously.

{Tape : 2; Side : A; Approx. Time Counter : 31}

EXECUTIVE ACTION ON MONTANA HISTORICAL SOCIETY

Motion/Vote: SEN. JOHNSON moved ADMINISTRATIVE PROGRAM 01 BASE, PRESENT LAW ADJUSTMENTS AND MARTZ RECOMMENDATION VACANCY SAVINGS BE ADOPTED. Motion carried unanimously.

Motion/Vote: SEN. JOHNSON moved that DP 2-LEWIS & CLARK BICENTENNIAL FUNDED OTO BE ADOPTED. Motion carried unanimously.

{Tape : 2; Side : B; Approx. Time Counter : 4}

Motion/Vote: SEN. MILLER moved that DP 5-ADMINISTRATIVE ADJUSTMENTS TO BASE BE ADOPTED. Motion carried unanimously.

SEN. MILLER noted a point of order on DP-45 as no action was necessary since it was a "zero" line item.

Motion: SEN. MILLER moved that GOVERNOR MARTZ'S RECOMMENDATIONS TO ELIMINATE NEW PROPOSALS DP 1, DP 9, DP 10 BE ADOPTED. Motion withdrawn.

No action was taken on New Proposals DP 1, DP 9, and DP 10.

{Tape : 2; Side : B; Approx. Time Counter : 8.7}

Motion: REP. BUZZAS moved DP 3-LEWIS & CLARK BICENTENNIAL-NP FUNDED WITH ACCOMMODATIONS TAX.

Discussion: SEN. MILLER explained to the committee that he prefers not to act on those proposals which Governor. Martz recommends funding with Accommodations Tax until the Accommodations Tax people agree to fund those proposals.

Substitute Motion/Vote: SEN. JERGESON made a substitute motion that DP 3-LEWIS & CLARK BICENTENNIAL-NP FUNDED ENTIRELY WITH

GENERAL FUND BE ADOPTED. Substitute motion failed 2-4 with Buzzas and Jergeson voting aye.

Motion/Vote: REP. BUZZAS moved that DP 3-LEWIS & CLARK BICENTENNIAL-NP FUNDED WITH ACCOMMODATIONS TAX BE ADOPTED. Motion carried 4-2 with Johnson and Miller voting no.

{Tape : 2; Side : B; Approx. Time Counter : 17.8}

Motion/Vote: SEN. JERGESON moved that DP 10-ONLINE PUBLIC RECORD ACCESS BE ADOPTED. Motion failed 2-4 with Buzzas and Jergeson voting aye.

Motion: SEN. MILLER moved that DP 17-OVERHEAD COSTS FUNDING \$45,000 INSTEAD OF \$70,000 BE ADOPTED. Motion withdrawn.

Ms. Inga Nelson, Montana Education Alliance/Montana Federation of Teachers, explained this is spending authority to charge Nevada City and Virginia City for services rendered. Ms. Becky Beckert-Graham explained they keep track of this money through a sub-class appropriation. This is a new account.

Motion/Vote: SEN. MILLER moved that DP 17-OVERHEAD BE ADOPTED. Motion carried 5-1 with Witt voting no.

Motion: SEN. MILLER moved DP 3-LEWIS & CLARK BICENTENNIAL-NP WITH FURTHER REDUCTIONS OF GENERAL FUND BY \$20,000 PER YEAR BE ADOPTED. Motion withdrawn.

Motion/Vote: REP. PETERSON moved RECONSIDER DP 3-LEWIS & CLARK BICENTENNIAL-NP. Motion carried 4-2 with Buzzas and Jergeson voting no.

{Tape : 2; Side : B; Approx. Time Counter : 24.2}

Motion: SEN. MILLER moved DP 3-LEWIS & CLARK BICENTENNIAL-NP BE FURTHER REDUCED BY \$20,000 PER YEAR.

{Tape : 2; Side : B; Approx. Time Counter : 28.9}

Substitute Motion: SEN. JOHNSON made a substitute motion to FUND DP 3-LEWIS & CLARK BICENTENNIAL-NP ENTIRELY WITH ACCOMMODATIONS TAX BE ADOPTED.

Discussion: REP. BUZZAS asked the committee if DP 3 is funded entirely with Accommodations Tax without the consent of the Accommodations Tax people, will DP 3 go essentially unfunded.

She questioned the intent of the committee. **SEN. JERGESON** stated that statutory appropriations cannot be amended in HB 2. **SEN. MILLER** agreed and asked the committee not to take action on DP 3. **REP. BUZZAS** explained the purpose of her original motion was to express the intent of the committee that DP 3 should be funded in HB 2 with Martz recommendations. **REP. PETERSON** said he is impressed with the growth of the Accommodations Tax and supports **SEN. JOHNSON'S** motion. **SEN. JERGESON** stated in this motion the total funds are being reduced, not general fund. **Ms. Beckert-Graham** explained that it was the intention of OBPP not to reduce DP 3, but to refund it by offsetting general funds with Accommodations Tax.

Ms. Beckert-Graham gave the committee the following regarding funding MHS with Accommodations Tax:

EXHIBIT(jeh13a05)

{Tape : 3; Side : A; Approx. Time Counter : 1.3}

Substitute Motion/Vote: **SEN. JOHNSON** made a substitute motion to **FUND DP 3-LEWIS & CLARK BICENTENNIAL-NP ENTIRELY WITH ACCOMMODATIONS TAX.** Substitute motion carried 4-2 with Buzzas and Jergeson voting no.

02 LIBRARY PROGRAM

{Tape : 3; Side : A; Approx. Time Counter : 2.4}

Motion/Vote: **REP. BUZZAS** moved **DP 4-LIBRARY PROGRAM ADJUSTMENTS TO BASE.** Motion carried unanimously.

Motion: **SEN. JERGESON** moved that **DP 19 - MICROFILM READER PRINTER LEASE BE ADOPTED.**

Discussion: **SEN. MILLER** said he was opposed to this motion because microfilm readers are antiques and that MHS should be moving in a different direction. **SEN. JERGESON** stated he would amend the motion to be a one-time-only item.

Motion: **SEN. JERGESON** moved that **DP 19 - MICROFILM READER PRINTER LEASE BE ADOPTED OTO AS AMENDED.**

Substitute Motion/Vote: **SEN. MILLER** made a substitute motion to **FUND \$6,000 IN THE BIENNIUM FOR MEDIA EQUIPMENT IN REPLACEMENT OF DP 19 OTO BE ADOPTED.** Motion carried unanimously.

03-MUSEUM PROGRAM

{Tape : 3; Side : A; Approx. Time Counter : 9.4}

REP. BUZZAS asked the committee if they would like to make a recommendation on funding using Accommodations Tax. **Ms. Beckert-Graham** said that OBPP is recommending the committee adopt the language in **Exhibit (5)**.

Motion: **REP. PETERSON** moved that **ACCOMMODATIONS TAX LANGUAGE RECOMMENDED BY GOVERNOR MARTZ WITH CHANGES IN DP 3 CHANGE TO \$116,477 IN FY02, AND \$111,124 IN FY03 FOR A TOTAL ACCOMMODATIONS TAX OF \$340,961 IN FY02 AND \$336,677 IN FY03 BE ADOPTED.**

Discussion: **SEN. MILLER** stated he would rather see the committee not take any action on this language. **REP. BUZZAS** said the committee is underestimating the influence of the Accommodation Tax folks on the legislature and she feels it is important to make the intent of the committee clear. **SEN. JERGESON** said it is not the job of the committee to appropriate a statutory appropriation. The committee is effectively not funding these decision packages by appropriating with Accommodations Tax. **REP. PETERSON** said that the motion shows the intent of the committee and affirms Governor Martz's language recommendations.

Motion/Vote: **REP. PETERSON** moved that **ACCOMMODATIONS TAX LANGUAGE CHANGES BE ADOPTED.** Motion carried 4-2 with Jergeson and Miller voting no.

{Tape : 3; Side : A; Approx. Time Counter : 19.7; Comments : The remainder of Tape 3 is blank. The meeting continues, after a break, at 11:25 at the beginning of Tape 4, Side A.}

04-PUBLICATIONS

SEN. MILLER clarified his earlier motion on DP 19, that it was a \$6,000 biennial appropriation and these minutes reflect that change. **Ms. Beckert-Graham** asked that the committee reinstate the Position Omission on page E-62 that was accidentally excluded in the Executive Budget.

Motion/Vote: **REP. BUZZAS** moved to **REINSTATE POSITION OMISSION FROM THE EXECUTIVE RECOMMENDATION.** Motion carried unanimously.

06-HISTORICAL SITE PRESERVATION

Motion/Vote: SEN. JERGESON moved that DP 34-FEDERAL GRANT ADJUSTMENT BE ADOPTED. Motion carried unanimously.

{Tape : 4; Side : A; Approx. Time Counter : 7.0}

Motion: SEN. JERGESON moved that DP 15- SHPO GRANTS ADMINISTRATOR BE ADOPTED.

Discussion: SEN. JERGESON stated it was important to have personnel to oversee grants. Dr. Olsen explained this position was formerly funded by private funds. MHS needs 0.5 FTE to match new federal funds in DP 34. Dr. Olsen explained this grant requires 40% match overall and this position only reflects a portion of the match requirements for federal funds. REP. PETERSON asked why the private dollars formerly funding the position were no longer available. Dr. Olsen explained that MHS receives money from the foundation and they raise private money. They had been giving MHS a balance which is not available anymore. At REP. BUZZAS' request, Dr. Olsen explained this position manages mostly DP 34 and therefore manages grants that go to local communities. REP. BUZZAS explained to the committee that it makes sense to create a new position rather than absorb these duties among several positions. Administering grants is important. Mr. Brown explained that historically MHS has had a great deal of federal funding and has seen a good return. He recommended the legislature show intent to have this 0.5 FTE keep working toward acquiring more federal grants.

Motion/Vote: SEN. JERGESON moved that DP 15- SHPO GRANTS ADMINISTRATOR BE ADOPTED. Motion carried 5-1 with Miller voting no.

08-LEWIS & CLARK BICENTENNIAL

{Tape : 4; Side : A; Approx. Time Counter : 19.4}

Motion: REP. BUZZAS moved that DP 33-GRANT FUNDING WITH GENERAL FUND TO ACCEPTANCE OF ACCOMMODATIONS TAX LANGUAGE BE ADOPTED AS AMENDED.

Discussion: REP. BUZZAS explained she wished the commission to receive funds up-front for administering grants. SEN. JERGESON said he was in favor of the motion because it would restore the general fund to the amount Governor Martz had recommended. REP. PETERSON reminded the committee that cuts needed to be made above Governor Martz recommendations in the general fund.

Motion/Vote: REP. BUZZAS moved that DP 33-GRANT FUNDING WITH GENERAL FUND TO ACCEPTANCE OF ACCOMMODATIONS TAX LANGUAGE BE ADOPTED AS AMENDED. Motion failed 4-2 with Buzzas and Jergeson voting aye.

Mr. Brown encouraged the committee to discuss HB2 recommendations from OBPP. The committee was in agreement concerning language for MHS and decided not to further discuss language.

Ms. Beckert-Graham also gave the following out regarding "rent reduction":

EXHIBIT (jeh13a06)

{Tape : 4; Side : A; Approx. Time Counter : 26.4}

ADJOURNMENT

Adjournment: 11.40 A.M.

REP. JOHN WITT, Chairman

CAYENNA JOHNSON, Secretary

JW/CJ

) **EXHIBIT**(jeh13aad)